



February 24, 2006

ENGROSSED HOUSE BILL No. 1227

DIGEST OF HB 1227 (Updated February 23, 2006 11:13 am - DI 113)

Citations Affected: IC 4-15; IC 5-10.

Synopsis: Retired state employees. Provides that the state employees appeals commission must have a separate line item appropriation in the state budget. Requires the state to provide a group health insurance program to retired state employees who were employed as teachers at certain state institutions and who participated in a state retirement fund: (1) for 15 years; or (2) ten years immediately preceding retirement. Changes the requirements for a retired state employee to participate in a group health insurance plan by: (1) reducing the number of years of creditable employment before the employee's retirement date from 20 to 15; and (2) eliminating the requirement that the employee participate in a retirement plan at least 15 years before the employee's retirement date.

Effective: July 1, 2006.

Budak, Ayres, Kromkowski, Porter

(SENATE SPONSORS — NUGENT, BECKER, SIPES)

January 10, 2006, read first time and referred to Committee on Employment and Labor.
January 26, 2006, amended, reported — Do Pass.
January 31, 2006, read second time, ordered engrossed. Engrossed.
February 2, 2006, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 6, 2006, read first time and referred to Committee on Appropriations.
February 23, 2006, amended, reported favorably — Do Pass.

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February 24, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1227

A BILL FOR AN ACT to amend the Indiana Code concerning state administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-15-1.5-5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The commission
3 shall meet in rooms provided by the personnel department and assume
4 the duties of office. Three (3) members of the commission shall
5 constitute a quorum for the transaction of business, and a majority of
6 votes cast shall be required for the adoption or approval of any official
7 action. The commission shall elect one (1) of the members as the
8 chairman and another member as vice-chairman and the persons so
9 elected shall hold office for one (1) year and until their successors are
10 elected and qualified. The commission shall hold such regular and
11 special meetings each year as it may prescribe by rule or resolution,
12 shall meet on the call of the chairman, and shall hold at least one (1)
13 meeting each month. ~~Such clerical and staff assistance as is needed by~~
14 ~~the commission shall be provided through the state director of~~
15 ~~personnel.~~
16 SECTION 2. IC 4-15-1.5-8 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. The appeals

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commission shall be totally separate and independent of the personnel board. **To ensure the independence of the commission as required by this chapter, appropriations to support the staff and other assistance needed to operate the commission must be made in a separate line item in the budget.**

SECTION 3. IC 5-10-8-8, AS AMENDED BY P.L.1-2005, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) This section applies only to the state and employees who are not covered by a plan established under section 6 of this chapter.

(b) After June 30, 1986, the state shall provide a group health insurance plan to each retired employee:

(1) whose retirement date is:

(A) after June 29, 1986, for a retired employee who was a member of the field examiners' retirement fund;

(B) after May 31, 1986, for a retired employee who was a member of the Indiana state teachers' retirement fund; or

(C) after June 30, 1986, for a retired employee not covered by clause (A) or (B);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; **and**

(3) who:

(A) for an employee who retires before January 1, 2007, will have completed:

(i) twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and

~~(4) who will have completed~~ (ii) at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date; or

(B) for an employee who retires after December 31, 2006, will have completed fifteen (15) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which shall have been completed immediately preceding the retirement.

(c) The state shall provide a group health insurance program to each retired employee:

(1) who is a retired judge;

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- (2) whose retirement date is after June 30, 1990;
- (3) who is at least sixty-two (62) years of age;
- (4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (5) who has at least eight (8) years of service credit as a participant in the Indiana judges' retirement fund, with at least eight (8) years of that service credit completed immediately preceding the judge's retirement.

(d) The state shall provide a group health insurance program to each retired employee:

- (1) who is a retired participant under the prosecuting attorneys retirement fund;
- (2) whose retirement date is after January 1, 1990;
- (3) who is at least sixty-two (62) years of age;
- (4) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (5) who has at least ten (10) years of service credit as a participant in the prosecuting attorneys retirement fund, with at least ten (10) years of that service credit completed immediately preceding the participant's retirement.

(e) The state shall make available a group health insurance program to each former member of the general assembly or surviving spouse of each former member, if the former member:

- (1) is no longer a member of the general assembly;
- (2) is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. or, in the case of a surviving spouse, the surviving spouse is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (3) has at least ten (10) years of service credit as a member in the general assembly.

A former member or surviving spouse of a former member who obtains insurance under this section is responsible for paying both the employer and the employee share of the cost of the coverage.

(f) The group health insurance program required under subsections (b) through (e) **and subsection (k)** must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer's and the employee's premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee's retirement date files a written request for insurance coverage with the employer. However, the employer may elect to pay any part of the retired employee's premium with respect to

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insurance coverage under this chapter.

(g) Except as provided in subsection (j), a retired employee's eligibility to continue insurance under this section ends when the employee becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq., or when the employer terminates the health insurance program. A retired employee who is eligible for insurance coverage under this section may elect to have the employee's spouse covered under the health insurance program at the time the employee retires. If a retired employee's spouse pays the amount the retired employee would have been required to pay for coverage selected by the spouse, the spouse's subsequent eligibility to continue insurance under this section is not affected by the death of the retired employee. The surviving spouse's eligibility ends on the earliest of the following:

- (1) When the spouse becomes eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.
- (2) When the employer terminates the health insurance program.
- (3) Two (2) years after the date of the employee's death.
- (4) The date of the spouse's remarriage.

(h) This subsection does not apply to an employee who is entitled to group insurance coverage under IC 20-28-10-2(b). An employee who is on leave without pay is entitled to participate for ninety (90) days in any health insurance program maintained by the employer for active employees if the employee pays an amount equal to the total of the employer's and the employee's premiums for the insurance.

(i) An employer may provide group health insurance for retired employees or their spouses not covered by this section and may provide group health insurance that contains provisions more favorable to retired employees and their spouses than required by this section. A public employer may provide group health insurance to an employee who is on leave without pay for a longer period than required by subsection (h).

(j) An employer may elect to permit former employees and their spouses, including surviving spouses, to continue to participate in a group health insurance program under this chapter after the former employee (who is otherwise qualified under this chapter to participate in a group insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. An employer who makes an election under this section may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.

(k) The state shall provide a group health insurance program to each retired employee:

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- 1 (1) who was employed as a teacher in a state institution under:
2 (A) IC 11-10-5;
3 (B) IC 12-24-3;
4 (C) IC 16-33-3;
5 (D) IC 16-33-4;
6 (E) IC 20-21-2-1; or
7 (F) IC 20-22-2-1;
8 (2) who is at least fifty-five (55) years of age on or before the
9 employee's retirement date;
10 (3) who is not eligible for Medicare coverage as prescribed by
11 42 U.S.C. 1395 et seq.; and
12 (4) who:
13 (A) has at least fifteen (15) years of service credit as a
14 participant in the retirement fund of which the employee
15 is a member on or before the employee's retirement date;
16 or
17 (B) completes at least ten (10) years of service credit as a
18 participant in the retirement fund of which the employee
19 is a member immediately before the employee's
20 retirement.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred House Bill 1227, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Delete pages 2 through 6.

Page 7, delete lines 1 through 30.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1227 as introduced.)

TORR, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1227, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state administration.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-15-1.5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The commission shall meet in rooms provided by the personnel department and assume the duties of office. Three (3) members of the commission shall constitute a quorum for the transaction of business, and a majority of votes cast shall be required for the adoption or approval of any official action. The commission shall elect one (1) of the members as the chairman and another member as vice-chairman and the persons so elected shall hold office for one (1) year and until their successors are elected and qualified. The commission shall hold such regular and special meetings each year as it may prescribe by rule or resolution, shall meet on the call of the chairman, and shall hold at least one (1) meeting each month. ~~Such clerical and staff assistance as is needed by~~

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the commission shall be provided through the state director of personnel.

SECTION 2. IC 4-15-1.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. The appeals commission shall be totally separate and independent of the personnel board. **To ensure the independence of the commission as required by this chapter, appropriations to support the staff and other assistance needed to operate the commission must be made in a separate line item in the budget."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1227 as printed January 27, 2006.)

MEEKS, Chairperson

Committee Vote: Yeas 11, Nays 0.

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